

TENNESSEE REGULATORY AUTHORITY

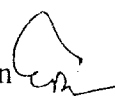

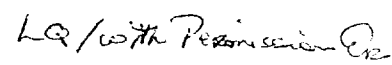
Sara Kyle, Chairman
Lynn Greer, Director
Melvin Malone, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

MEMORANDUM

TO: Chairman Sara Kyle
Director Lynn Greer
Director Melvin Malone

FROM: Eddie Roberson, Chief, Consumer Services Division 
Ed Mimms, Manager, Do Not Call Program 
Lynn Questell, Counsel  LQ / with Permission ER

DATE: October 25, 2001

SUBJECT: Settlement with Cambridge Security LLC (Docket No. 01-00918)

Attached is a Settlement Agreement between the Consumer Services Division ("Staff") and Cambridge Security LLC (referred hereafter as "Cambridge") for violations of the Tennessee Do-Not-Call Telephone Sales Solicitation statute, TCA § 65-4-401 *et seq.* Cambridge registered with the Tennessee Regulatory Authority ("Authority") as a solicitor on July 12, 2001.

Three (3) separate complaints have been registered against Cambridge with the Authority alleging that the company violated TCA § 65-4-401 *et seq.* This Settlement requires the company to make a payment of \$5,000 to the Authority along with assurances from the company that it will fully comply with applicable state law. The terms of this Settlement allow the company to pay the \$5,000 to the Authority over a period of several months with the first payment of \$3,000 due on the day the Authority ratifies the Settlement. Subsequent payments of \$1,000 will be made to the Authority no later than the first business day on each of the next two (2) consecutive months. A representative of Cambridge has agreed to attend the Authority Conference when this Settlement is considered in case you should have any questions. Considering all relevant facts, the Staff believes the terms of this Settlement are fair and reasonable and should have the result of no additional telemarketing complaints being filed against Cambridge.

Staff submits the attached Settlement Agreement for your deliberation at the November 6, 2001 Authority Conference.

cc: David Waddell, Executive Secretary
Richard Collier, General Counsel
Tim Clark, President Cambridge Security LLC

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CONSUMER SERVICES DIV
OCT 24 2001
TN REGULATORY AUTHORITY

THE TENNESSEE REGULATORY AUTHORITY

AT NASHVILLE, TENNESSEE

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| IN RE: |) | | |
| |) | | |
| ALLEGED VIOLATIONS OF TENN. |) | DO-NOT-CALL | T01-00441 |
| CODE ANN. §65-4-401 <i>et seq.</i> , DO-NOT- |) | PROGRAM | T01-00458 |
| CALL SALES SOLICITATION LAW, |) | FILE NUMBERS | T01-00542 |
| AND RULES OF TENNESSEE |) | | |
| REGULATORY AUTHORITY, CHAPTER |) | | |
| 1220-4-11, BY: |) | | |
| |) | | |
| CAMBRIDGE SECURITY, LLC |) | | |

SETTLEMENT AGREEMENT

This Settlement Agreement has been entered into between the Consumer Services Division ("CSD") of the Tennessee Regulatory Authority ("TRA") and Cambridge Security LLC ("Cambridge") and is subject to the approval of the Directors of the TRA. Cambridge, a company employing approximately thirty (30) workers, is located in Jackson, Tennessee. Cambridge registered as a telephone solicitor with the TRA on July 12, 2000.

This Settlement Agreement pertains to three (3) separate complaints received by the CSD alleging that Cambridge violated the Tennessee Do-Not-Call Telephone Sales Solicitation law, TENN. CODE ANN. § 65-4-404, and TENN. COMP. R. & REGS. 1220-4-

11.07(1), by knowingly making or causing to be made telephone sales solicitation calls to three (3) residential subscribers in this state who had given timely and proper notice to the TRA of their objection to receiving telephone solicitations. All the complainants' phone numbers have been registered and in effect since October 1, 2000. CSD provided Cambridge with notice of these complaints on July 24, 2001, July 30, 2001, and September 17, 2001.

TENN. CODE ANN. § 65-4-405(f) authorizes the TRA to assess penalties for violations of the Tennessee Do-Not-Call statutes, including the issuance of a cease and desist order and the imposition of a civil penalty of up to a maximum of two thousand dollars (\$2,000) for each knowing violation. The maximum fine faced by Cambridge in this proceeding is six thousand dollars (\$6,000). CSD relied upon the factors stated in TENN. CODE ANN. § 65-4-116(b) during the negotiations which resulted in this agreement, including Cambridge's size, financial status, and good faith and the gravity of the violation.

In an effort to resolve these three (3) complaints, represented by the file numbers above, CSD and Cambridge agree to settle these complaints based upon the following acknowledgements and terms subject to approval by the Directors of the TRA:

1. Cambridge admits that the three (3) complaints against it are true and valid complaints and are in violation of TENN. CODE ANN. §65-4-404 and TENN. COMP. R. & REGS. 1220-4-11.07(1).
2. After receiving notice of the complaints that are the subject of this agreement, Cambridge acted in a cooperative manner, met with the CSD staff and expressed an interest in settling the complaints. Cambridge also proposed methods for preventing future violations of TENN. CODE ANN. § 65-4-404 and TENN. COMP. R. & REGS. 1220-4-11.07(1).
3. Cambridge reregistered with the TRA as a telephone solicitor on September 25, 2001, and obtains a monthly copy of the Do-Not-Call Register.
4. Cambridge agrees to a civil penalty of five thousand dollars (\$5,000.00) for these complaints as authorized by TENN. CODE ANN. §65-4-405(f), and agrees to remit the amount of three thousand dollars (\$3,000.00) to the TRA Office of the Executive Secretary on the day the Directors of the TRA approve this Settlement Agreement.¹ The remaining two (2) installments of one thousand dollars (\$1,000.00) shall be remitted no later than the first business day of each month for the next two (2) consecutive months beginning on the first day of the month which is thirty (30) days after the first payment. Upon payment of the amount of five thousand dollars

¹ The payments may be made in the form of a check, payable to the Tennessee Regulatory Authority, referencing the above stated TRA Docket Number.

(\$5,000.00) in compliance with the terms and conditions of this Settlement Agreement, Cambridge is excused from further proceedings in this matter.

5. Cambridge agrees to comply with all provisions of the Tennessee Do-Not-Call Telephone Sales Solicitation law and regulations. Cambridge on its own accord, has instituted additional procedures to further minimize the potential for telephone solicitation calls to Tennessee consumers whose residential telephone numbers are registered on the Tennessee Do-Not-Call Register.
6. Provided Cambridge fully complies with the terms of this Settlement Agreement, the TRA agrees that it will not pursue any claims against, or seek payment of any civil penalties against Cambridge for alleged violations of the Tennessee Do Not Call Sales Solicitation Law and regulations occurring prior to the date of this Agreement.
7. In the event of any failure on the part of Cambridge to comply with the terms and conditions of this agreement, the Authority reserves the right to re-open this docket. Cambridge shall pay any costs incurred to secure compliance and enforce this Settlement Agreement.

8. Cambridge agrees that a company representative will attend the Authority Conference at which time the Directors consider for approval this Settlement Agreement.

Eddie Roberson
Chief, Consumer Services Division
Tennessee Regulatory Authority

Date

Tim CLARKE
Print Name

PRESIDENT
Print Title

Cambridge Security LLC

10-14-2001
Date